

AQO

MEMORANDUM FOR RECORD

SUBJECT: AQO Staff Meeting Minutes, May 13, 97

CONGRATULATIONS. On May 9, 97, Dr. Paul Kaminski, Under Secretary of Defense (Acquisition & Technology) (USD(A&T)), presented OSD Awards for Excellence to Mr. Bob Schmitt, AQO; Mr. Kevin Kane, AQOF; Mr. Frank Wojtaszek, AQOC; and Mr. Jim Bibler, DCMC San Francisco. At the end of the ceremony, Dr. Kaminski remarked that Single Process Initiative (SPI) is the single most important acquisition reform initiative and that he appreciated everything DCMC was doing to make it happen.

MR. LONGUEMARE. Mr. R. Noel Longuemare, Principal Deputy Under Secretary of Defense (Acquisition & Technology), addressed last week's DCMC Commander's Conference. He spoke on several key Departmental issues, specifically the state of acquisition reform, enhancing international cooperation, the need to reduce Life Cycle Costs and infrastructure, and finally the necessity of leveraging commercial technology for national security. He also addressed a new area of emphasis--improving the integration of the logistics and acquisition communities. All these efforts are directed at making Defense more affordable. He recognized DCMC's outstanding support in these areas, reaffirming that DCMC is in a unique position to provide solutions for many of the Department's affordability issues. Mr. Longuemare especially highlighted the importance of the Single Process Initiative and the use of Management Councils to address a wide range of improvements and problem resolution.

DCMC COMMANDER'S CONFERENCE. Team Chiefs were reminded to review Gen Drewes' Commander's Conference presentation with their personnel.

TRIP REPORTS. Mr. Schmitt observed that AQO personnel are travelling a lot more than they are writing trip reports. Please note Ms. Pettibone/Mr. Schmitt expect at least a brief summary of TDY trips (cc:mail is fine).

HQ DIRECTED TRAVEL. New policy out--Districts no longer need to ask for travel funds for HQ directed travel. They will manage the funds at the District level and provide HQ with periodic reports of expenditures.

INTERNAL OPERATIONS ASSESSMENTS. We need to get involved and become fully engaged in the IOA process. Mr. Schmitt would like feedback from team chiefs on their plans for participation.

CONTRACT PAYMENT AND BUSINESS PRACTICES TEAM (AQOC).

o Credit Card for Payment Test. At a meeting on Monday, May 12, with the DoD Comptroller, Gen Drewes, Ms. Pettibone and Mr. Rich Keevey, Director, DFAS, it was agreed that DCMC may begin testing the use of the credit card as a payment vehicle at three locations: DCMC Manassas, DCMC Bell Helicopter, and DCMC South Bend, IN. The test will begin in May for a 12-month period. This credit card test is an innovative approach for using the credit card. Expected benefits are faster payments to the contractors and a reduction in payment cost for the buying office. DCMC does not expect to expand the test beyond the three test sites until metric data indicates that expanded use is cost effective.

WORKFORCE STRATEGY TEAM (AQOJ).

o Ms. Ann Deitz, AQOJ, will be visiting Districts East and West to support their analysis of DCMC owned courses for alternative delivery methods. DCMC's goal is to convert 20% of those determined to be candidates for course conversion in FY98.

CONTRACTOR CAPABILITY & PROPOSAL ANALYSIS TEAM (AQOD).

- o Mike Williams will be hosting another meeting of the DoD Past Performance Information Integrated Product Team (IPT) on May 15th here in the HQC building. The IPT is working on a PPI collection and use implementation plan for DoD. They have already decided on a management approach, based on "particularizing" PPI collection by each "business sector" DoD contracts with. This approach has already been approved by Dr. Kaminski and the Component Acquisition Executives.

The implementation plan the IPT is now developing will provide a blueprint for a follow-on Joint Implementation Group to use in overseeing detailed execution on the part of the Components. The IPT is currently set to brief this plan to the USD(A&T) at the end of June / first part of July 1997.

#### PROPERTY MGMT, CONTRACT CLOSEOUT & TERMINATIONS TEAM (AQOE).

- o The IPT chartered by Dr. Kaminski to look at ways to improve the policies on providing, controlling, disposing of, and accounting for Government property continues to meet twice weekly under the leadership of Brad Bergman, Director of Acquisition Practices for Industrial Affairs and Installations. Participants include representatives from the Military Departments, DCMC, Director, Defense ProcurementP, DoD Comptroller (DoD(C)) and DoD Inspector General. The Team has drafted up ideas for improvements in the way the Department provides property, for streamlining property management, and for meeting financial accounting standards for Government property. The Team regularly provides status updates to DoD(C) and is expected to have its final recommendations ready in about a month.

#### SINGLE PROCESS INITIATIVE (SPI) TEAM.

- o Brigadier General Bond, Special Projects Officer for the Office of the Secretary of the Army (Research, Development & Acquisition), is visiting a select few DCMC contractors to encourage Management Council members to submit SPI proposals and implement process improvements that will help the Army meet its acquisition cost reduction goals. On May 12, Syd Pope (AQOC-SPI) accompanied the General to Lockheed Martin Vought Systems (LMVS) and Bell Textron in Ft. Worth, TX. We are making arrangements for him to return to LMVS in June to follow up on the action items generated this week. We are also arranging similar visits in June to Sikorsky, Stratford, CT, Raytheon, Andover, MA, McDonnell Douglas, Mesa, AZ, and Allied Signal, Phoenix, AZ.

#### FLIGHT OPNS, SPECIALIZED SAFETY & ENVIRONMENTAL TEAM (AQOI).

- o The Government Flight Representative (GFR) course is being held at DCMC Long Beach. The course runs from 12-23 May.

#### MATERIEL MANAGEMENT (TRANSPORTATION).

- o Paul Kretzing went on an Internal Operations Assessment (IOA) to DCMCs Indianapolis and Dayton in April 1997. Jack Maher will be participating in an IOA to DCMC St. Louis the week of 19 May 97.

- o DLA Transportation coordinated on the draft training matrix for Transportation indicating required courses and other courses.

- o The Communications and Electronics Command (CECOM), an Army inventory control point (ICP), will be meeting at DCMC Americas in Ottawa to discuss their first effort at Direct Vendor Deliveries (DVD) with a contractor in British Columbia. Because they are procuring the material (batteries) outside the CONUS there will be issues of moving the material across international borders and the duty free entry of the material into the United States. The DCMC Transportation Officer will be attending subject meeting to address the transportation issues.

- o The migration of the Transportation Automated Management System (TRAMS) to CFM continues. Due to delays in making travel money available to CAOs, four CFM training sessions were canceled. DCMC has now made travel money available to both the East and West District. Our application for EDI money from DoD has

been recommended for approval; we are awaiting final approval. Once that has been received a portion will be used for the transition. Currently a limited class is scheduled in Boston 20-23 May. Other classes are scheduled in June at the Military Traffic Management Command (MTMC) training facilities in Oakland, CA, and Falls Church, VA.

#### OVERHEAD CENTER (OHC).

- o The Overhead Center will be moving to different office space at the end of May. The OHC will be in temporary office space for approximately 3-6 months until permanent quarters are found.
- o The Overhead Center has filled its remaining vacancies and will have the full team on board by mid-June.

#### PRODUCTION DESIGN, DEVELOPMENT & CONTROL TEAM (AQOF).

- o Col Harper represented DCMC last week at the Allied Signal Annual Integrity and Compliance Workshop and Conference. Topics of discussion were SPI, IPT Pricing and the Contractor Restructuring Proposals.
- o Kevin Kane, Barry Schuler and Jim Muir attended a meeting of the National Security Industrial Association (NSIA) Management Systems Subcommittee on May 5-7 and Mr. Kane moderated a panel at the meeting on May 7. The panel had representatives from the Services, Office of Federal Procurement Policy, OSD, NASA, FAA, NRO, and DCMC discussing direction in the use of Earned Value. Kevin Kane was also a member of a panel discussing similar issues at a "Defense Week" sponsored conference on May 8-9.
- o Mike Ferraro will be representing DCMC at the Air Force Engineering Day at Wright-Patterson AFB on May 13.
- o The Senior Functional Advisor (SFA) policy letter is in coordination.

#### PRODUCT & MANUFACTURING ASSURANCE TEAM (AQOG).

- o Mr. Mark Melnyk and Ms. Georgeanna Adams attended the Standard Procurement System (SPS) Requirements Workshop in Fair Oaks, VA. They were initially briefed by Captain Case on the current status of SPS and other software systems currently under development. Subsequent briefings covered the subject areas of the Defense Procurement Payment System (DPPS), the SPS requirements definitization process and the Shared Data Warehouse (SDW).

Balance of the workshop focused on identifying DCMC SPS requirements via workshop breakout teams. To this end, capabilities for every DCMC computerized system were compared with each line item of the SPS Statement of Work (SOW) to ensure requirements were adequately identified in the SOW.

- o We have completed the template for displaying accumulated costs and "earnings" (see Earned Value Management System) template that will be used by all '98 Performance Plan task owners to track progress for their tasks/metrics. As resources continue to shrink and as the Command embarks on Unit Cost Management, the requirement to use proven program/project resource management processes will start to extend to ever lower levels.

APPROVED:

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